

Dear,

I appreciate the opportunity to provide comments on the Securities and Exchange Commission's proposed rule on "Prohibition Against Fraud, Manipulation, or Deception in Connection with Security-Based Swaps" ("Proposal").

I am concerned that the proposed rule, as currently written, could have unintended consequences on the market participants and the overall market dynamics. In particular, the requirement for public disclosure of proprietary and confidential investment positions and trading strategies could potentially disrupt fair, orderly, and efficient market activity across various asset classes and hinder capital formation<sup>12</sup>.

The Proposal seems to overlook the importance of protecting proprietary information, a principle the Commission has recognized elsewhere<sup>3</sup>. Public disclosure of proprietary investment positions and trading strategies can lead to imitative or disruptive trading, which could exacerbate market volatility<sup>4</sup> and reduce liquidity in security-based swap ("SBS") markets and underlying securities markets<sup>56</sup>.

Furthermore, the Proposal appears to undermine the congressional intent reflected in Section 13 of the Exchange Act, which requires a determination that SBS provide incidents of ownership comparable to direct ownership of reference securities before a public disclosure regime can be justified. Unlike ownership of a reference security, SBS do not result in any potential for control of the issuer; SBS do not convey voting rights.

I urge the Commission to reconsider whether the proposed rule is necessary or appropriate. The Commission should consider modifying the rule to focus on regulatory reporting, similar to the Commodity Futures Trading Commission's large trader reporting rules, rather than public disclosure. This approach would better align with the public interest and promote efficiency, competition, and capital formation.

Thank you for considering my comments. I look forward to the Commission's continued efforts to ensure the integrity and efficiency of our financial markets.

Sincerely,  
Milosz Glodkowski

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<sup>1</sup> [MARKET IMPACT OF SHORT SALE POSITION DISCLOSURES | Copenhagen Economics](#) ↵

<sup>2</sup> [Flying under the radar: The effects of short-sale disclosure rules on investor behavior and stock prices - ScienceDirect](#) ↵

<sup>3</sup> [Final Rule: Selective Disclosure and Insider Trading - SEC.gov](#) ↵

<sup>4</sup> [Corporate Disclosure Practices, Institutional Investors, and Stock Return Volatility - Inwestui Finance](#) ↵

<sup>5</sup> [Market Liquidity and Public Announcements' Disclosure Quality on Tallinn, Riga, and Vilnius Stock Exchanges - JSTOR](#) ↵

<sup>6</sup> [Public Disclosure of Security-Based Swaps Positions - SIFMA](#) ↵